

FinCEN Launches New Information-Sharing Platform: The FinCEN Exchange

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Treasury's Financial Crimes Enforcement Network ("FinCEN") recently [announced](#) the creation of the FinCEN Exchange, a new voluntary platform to facilitate information sharing between the government and industry on topics related to anti-money laundering ("AML") and other financial crime issues. The program represents a significant step forward on two related priority areas for FinCEN: information sharing and public-private partnerships.

In a [speech](#) announcing the creation of the FinCEN Exchange, Treasury Under Secretary for Terrorism and Financial Intelligence Sigal P. Mandelker cited industry appetite for increased "outreach, discussion, and information" as a primary motivation for the new initiative. In recent years, there have been repeated calls to strengthen these areas, particularly given the success of the United Kingdom's Joint Money Laundering Intelligence Taskforce, which has received accolades from financial services industry participants, government and law enforcement alike.

Although channels such as the Bank Secrecy Act Advisory Group already exist for the industry to provide feedback on the AML regime to FinCEN, the FinCEN Exchange will provide a new means. In addition to being an opportunity for the industry to obtain information from the government to help prioritize and identify risks so industry can "channel resources toward high-priority targets[.]" the Exchange will serve as another forum that will underscore the industry's significant AML efforts.

Details About the FinCEN Exchange

The FinCEN Exchange will convene briefings every six-to-eight weeks among FinCEN, law enforcement and financial institutions to exchange targeted information on priority illicit finance threats, such as specific money-laundering methods and typologies.

Participation in the program is strictly voluntary and does not introduce any new regulatory requirements. It is unclear which financial institutions will participate in the FinCEN Exchange, or how those institutions will be selected; it is possible that the program will be invitation-only, at least in the near term.

Endorsement of 314(b) Sharing

The press release announcing the Exchange also encouraged “314(b)” sharing among financial institutions. Section 314(b) of The USA PATRIOT Act provides financial institutions and associations of financial institutions a safe harbor for sharing “information with one another regarding individuals, entities, organizations, and countries suspected of possible terrorist or money laundering activities.”¹ Financial institutions share information under that provision to facilitate investigations of suspicious activity and the creation of more complete Suspicious Activity Reports to law enforcement. In addition to traditional bilateral 314(b) sharing, Mandelker said the government is “highly encouraged” by bank efforts to form “consortia to share information more dynamically” under 314(b), adding that “these groups of financial institutions have provided substantial insight into illicit finance threats that otherwise may be invisible to a single institution.” Financial institutions should consider the various ways in which 314(b) can be a vital tool in the fight against financial crime.

Potential BSA Reform Legislation Includes Provisions on Information Sharing

At least three separate Bank Secrecy Act (“BSA”) reform bills are currently being considered in Congress that have the potential to revamp many aspects of the BSA and the AML regulatory regime, including in the areas of information sharing and public-private partnerships. A bill sponsored by Rep. Ed Royce (R-CA), for example, would establish a Qualitative Feedback Mechanism “to communicate [AML and CTF] priorities to financial institutions and Federal financial regulators, and provide qualitative feedback on information shared by financial institutions with the Department of Treasury, including CTRs and SARs.” The industry should pay close attention to these bills and their relative prospects for becoming law—a Congressional mandate on information sharing and public-private partnerships would only serve to propel the US government’s progress on those issues.

¹ Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001, Pub. L. No. 107-56, 115 Stat. 272 (2001) § 314(b).

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